

Cosco Capital, Inc.

First Half 2023 Financial Results Investor Presentation



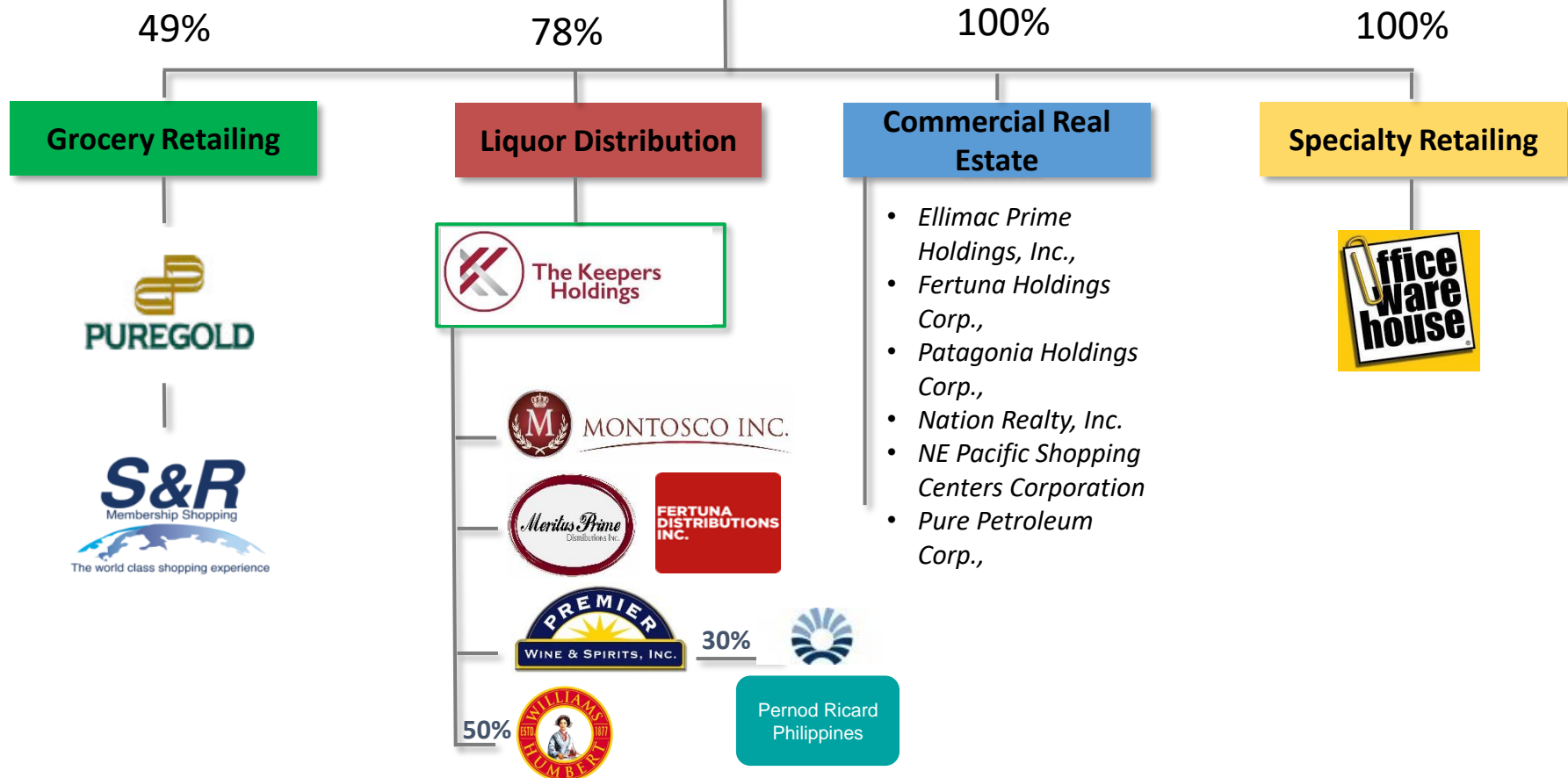
Disclaimer

These presentations and/or other documents have been written and presented by COSCO CAPITAL, INC. (COSCO). COSCO is solely responsible for the accuracy and completeness of the contents of such presentations and/or other documents. Third parties, other than COSCO, do not have any responsibility for or control over the contents of such presentations and/or other documents. No endorsement is intended or implied notwithstanding the distribution of this presentation and/or other documents during the analysts and investors calls and meetings of COSCO. The materials and information in the presentations and other documents are for informational purposes only, and are not an offer or solicitation for the purchase or sale of any securities or financial instruments or to provide any investment service or investment advice.

Head Office Address

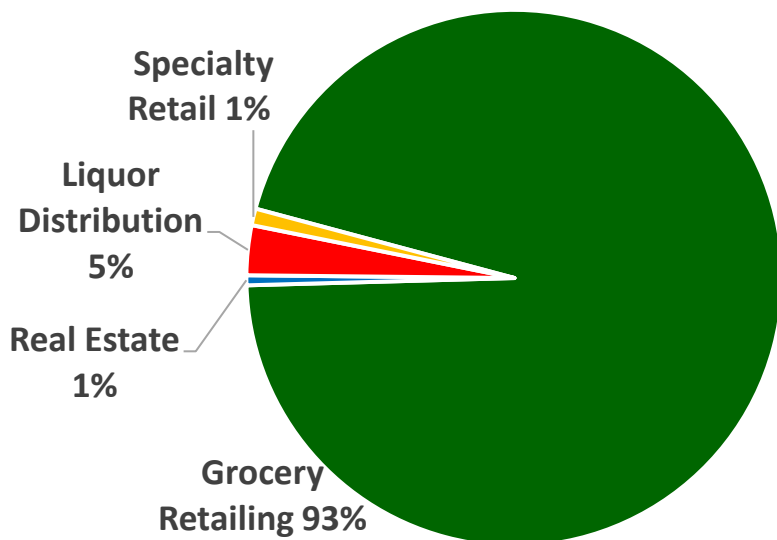
3rd floor, New Tabacalera Building, 900 Romualdez Street, Paco, Manila, 1007 Philippines

Company Overview



Revenues and Net Income Contribution 1H 2023

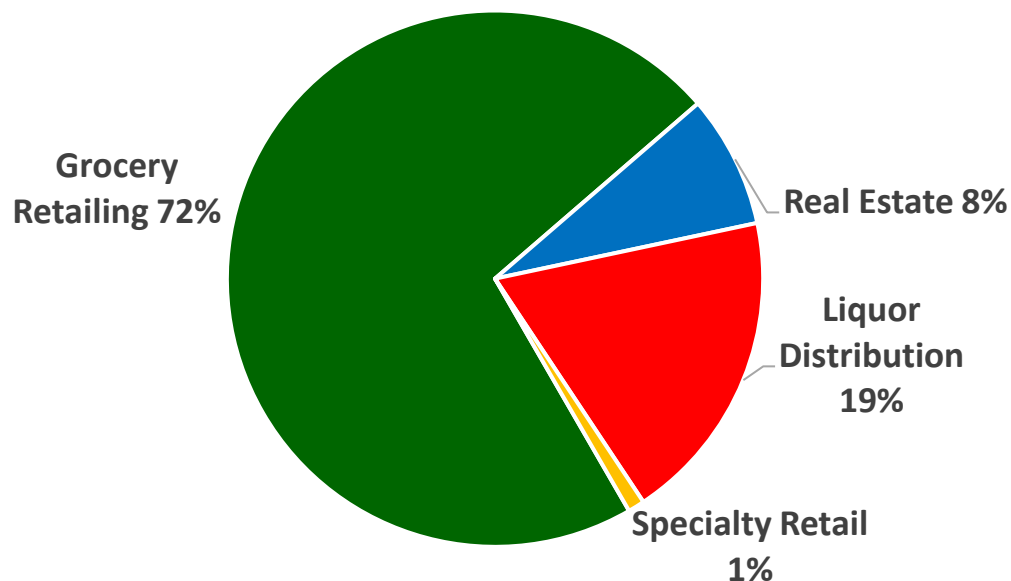
Revenues



PHP 98.2 billion

+12.3% vs 1H 2022

Net Income



PHP 6 billion

+7.8% vs 1H 2022

1H 2023 CONSOLIDATED FINANCIAL PERFORMANCE

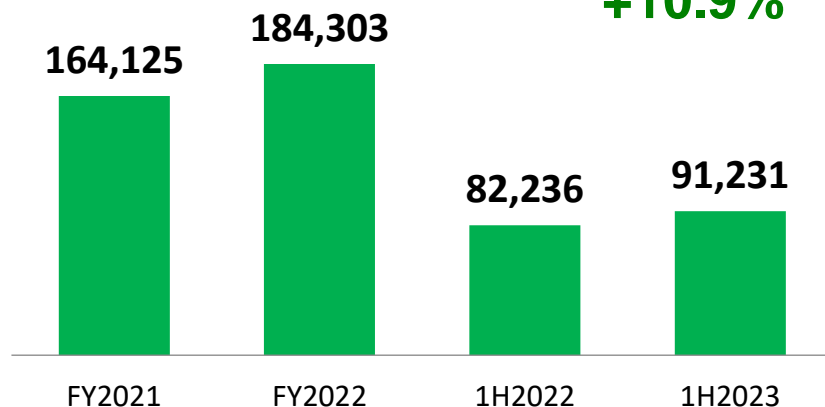
<i>(In Thousands)</i>	1H2023	%	1H2022	%	INCREASE (DECREASE)	%
REVENUES	98,180,842	100.00%	87,444,057	100.00%	10,736,785	12.28%
COST OF SALES/SERVICES	79,014,351	80.48%	69,865,110	79.90%	9,149,242	13.10%
GROSS PROFIT	19,166,491	19.52%	17,578,948	20.10%	1,587,543	9.03%
OTHER OPERATING INCOME	1,520,833	1.55%	1,468,082	1.68%	52,751	3.59%
GROSS OPERATING INCOME	20,687,324	21.07%	19,047,029	21.78%	1,640,295	8.61%
OPERATING EXPENSES	12,263,411	12.49%	10,753,565	12.30%	1,509,846	14.04%
INCOME FROM OPERATIONS	8,423,913	8.58%	8,293,464	9.48%	130,449	1.57%
OTHER INCOME (CHARGES) - net	(743,670)	-0.76%	(1,047,398)	-1.20%	303,727	-29.00%
INCOME BEFORE INCOME TAX	7,680,243	7.82%	7,246,067	8.29%	434,176	5.99%
INCOME TAX EXPENSE	1,648,215	1.68%	1,650,981	1.89%	(2,766)	-0.17%
NET INCOME FOR THE PERIOD	6,032,028	6.14%	5,595,086	6.40%	436,942	7.81%
PATMI	3,535,197	3.60%	3,239,977	3.71%	295,220	9.11%
Non-controlling interests	2,496,831	2.54%	2,355,109	2.69%	141,722	6.02%
	6,032,028	6.14%	5,595,086	6.40%	436,942	7.81%
EARNINGS PER SHARE (EPS)	0.51006		0.46658			9.32%
EBITDA	10,794,015	10.99%	10,471,483	11.98%	322,532	3.08%

Grocery Retail: 1H 2023 Financial Highlights

(In PHP millions)

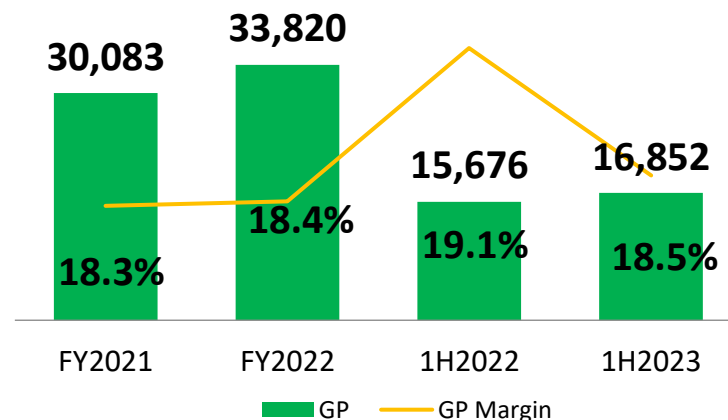
Revenues

+10.9%



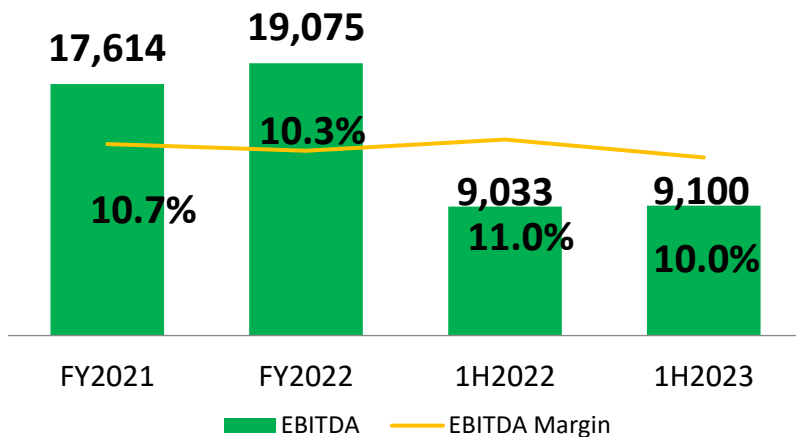
Gross Profit and Margin

+7.5%



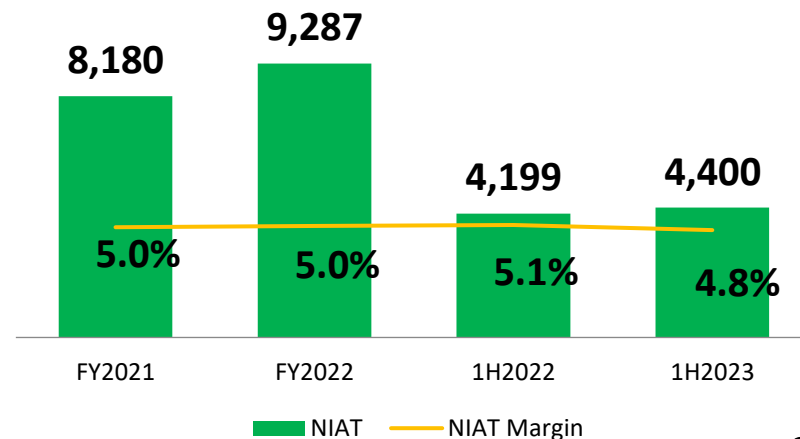
EBITDA and Margin

+0.7%

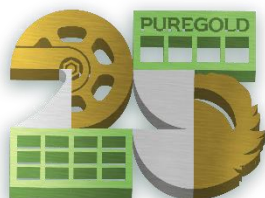


Net Profit and Margin

+4.8%



Grocery Retail: Operating Highlights



NASA IYO ANG PANALO

- Puregold opened **8 new stores** in 1H 2023, and **converted 8 Divimart stores**
- S&R opened 1 S&R warehouse club in Kawit, Cavite
- Opened 2 QSR in Valenzuela and Tanauan
- As of 1H 2023, the Grocery Retailing segment is operating a total of **543 stores** with total net selling area (**NSA**) of more than **653,000 sqm**.



	PUREGOLD	S&R	S&R QSR
Metro Manila	146	12	27
Luzon	257	7	19
Visayas	50	2	7
Mindanao	14	2	-
Total	467	23	53

1H 2023 SSSG: +5.9% +9.5%

Grocery Retail: Operating Highlights

Sales Performance

Like-for-like Growth %	Puregold		S&R	
	1H 2023 (427 stores)	1H 2022 (398 stores)	1H 2023 (22 wh)	1H 2022 (20 wh)
Net Sales	5.9%	0.6%	9.5%	3.8%
Ticket	-0.7%	-5.8%	1.3%	8.2%
Traffic	6.6%	6.8%	8.1%	-4.1%

			Traffic <i>(in thousands)</i>			Ticket		
Overall	Store Count		1H 2023	1H 2022	% growth	1H 2023	1H 2022	% growth
	CY	PY						
Puregold	467	438	65,698	59,401	10.6%	961	1,023	-6.0%
S&R WH	23	22	5,767	5,241	10.0%	4,892	4,833	1.2%









































Liquor Distribution:



The Keepers
Holdings



KEEPR has established market leadership in all leading categories of the imported spirits segment¹.

Non-Cognac Brandy	# 1							
Blended Scotch	# 1		# 2					
Malt Scotch	# 1		# 2					
US Whiskey	# 1		# 2					
Soju	# 1							
Cognac	# 2							
Vodka	# 1		# 2					
Gin	# 1							
Rum	# 2							
Agave	# 1							
Flavored Spirits	# 1		# 2					
Irish Whiskey	# 1			Note 1 – References to the ranking is within the imported spirits segment, according to IWSR.				

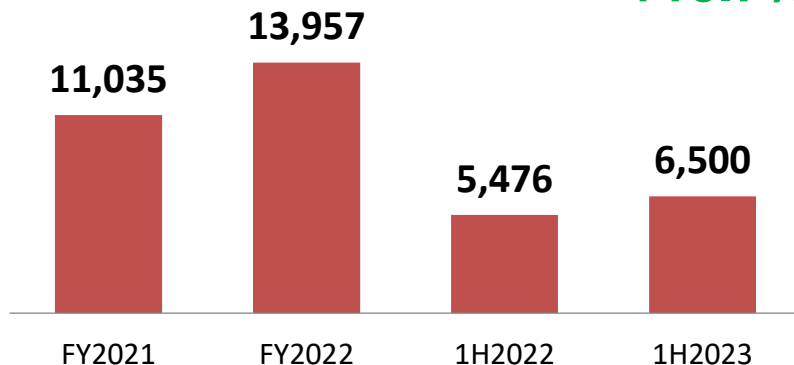
Note 1 – References to the ranking is within the imported spirits segment, according to IWSR.

Liquor Distribution: 1H 2023 Financial Highlights

(In PHP millions)

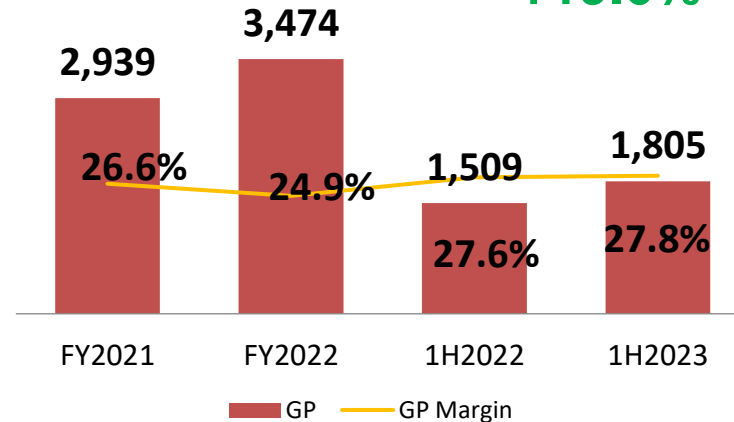
Revenues

+18.7%



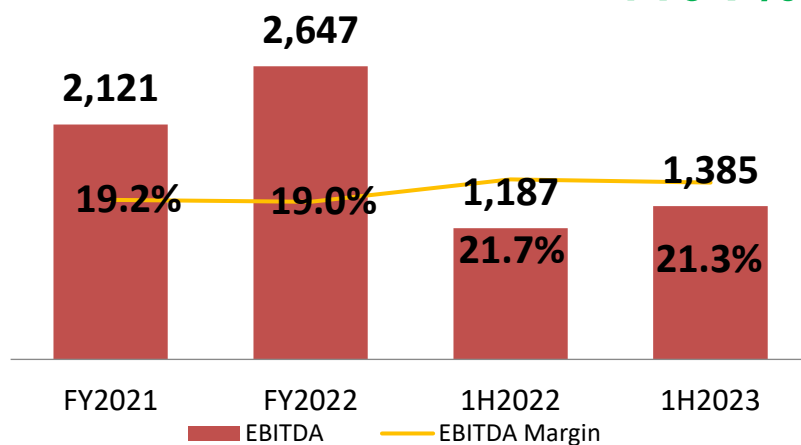
Gross Profit and Margin

+19.6%



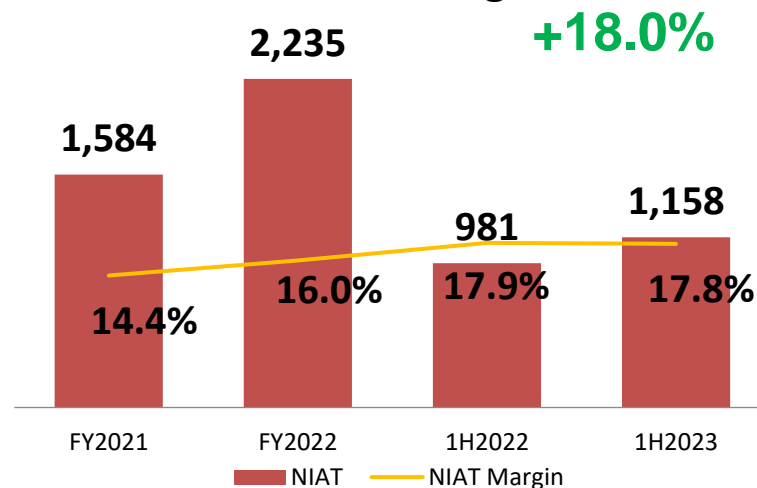
EBITDA and Margin

+16.7%



Net Profit and Margin

+18.0%

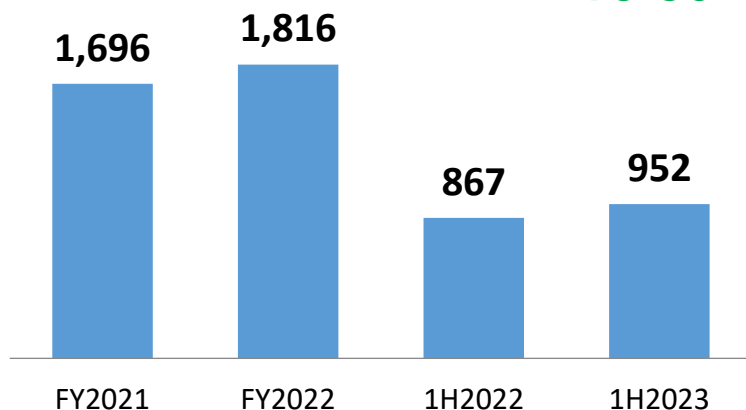


Real Estate: 1H 2023 Financial Highlights

(In PHP millions)

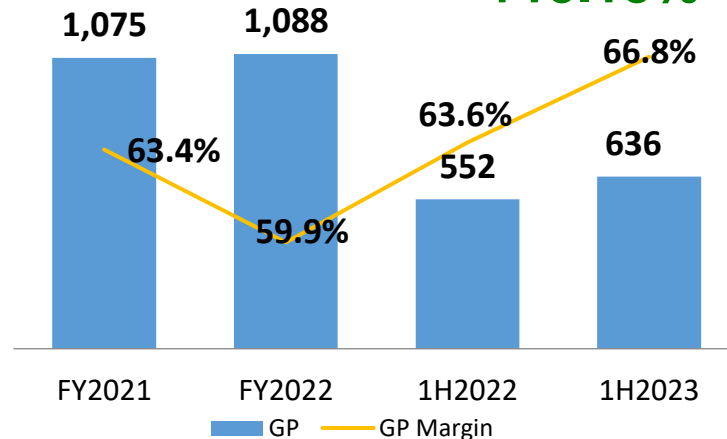
Revenues

+9.80



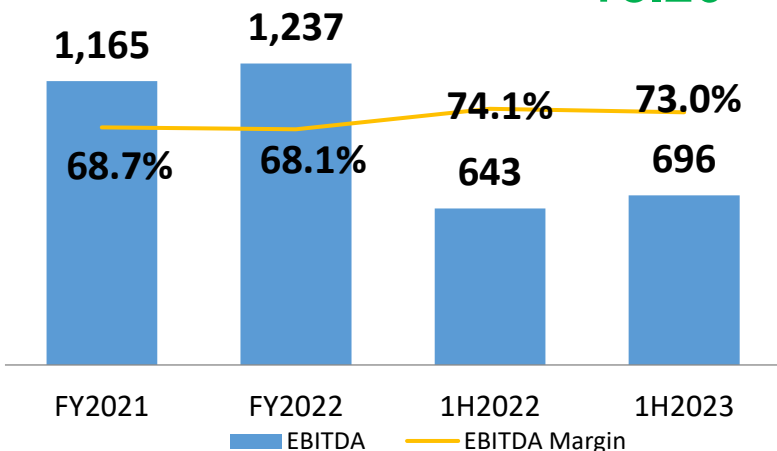
Gross Profit and Margin

+15.18%



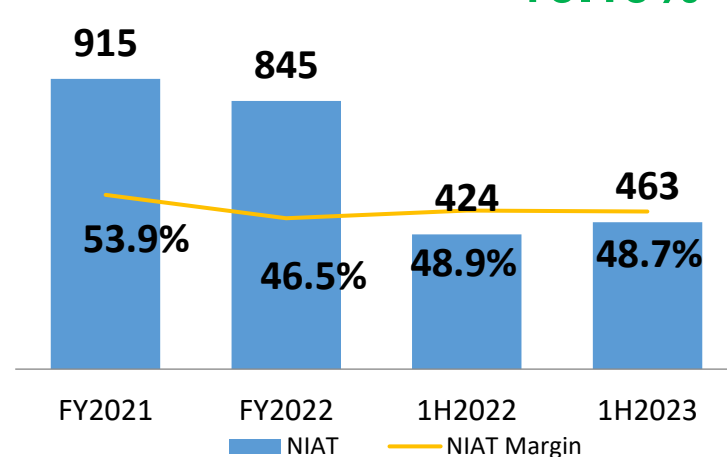
EBITDA and Margin

+8.26



Net Profit and Margin

+9.19%



Real Estate: Operating Highlights



Date Opened:

Jan. 24, 2023

GLA:

3,949.74 sqm.

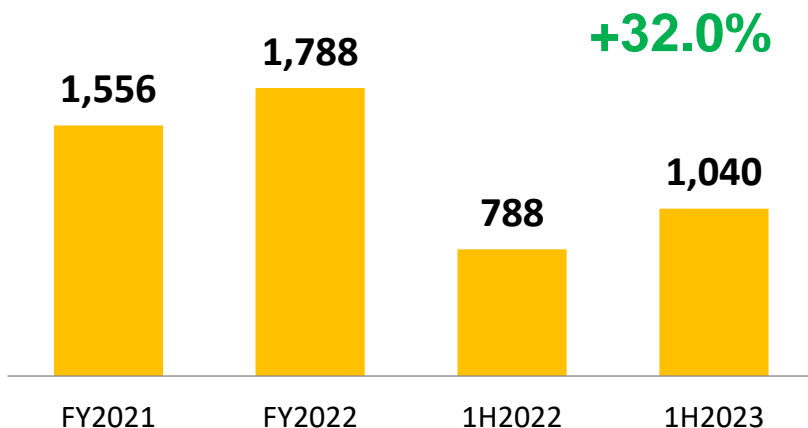
Occupancy:

100%

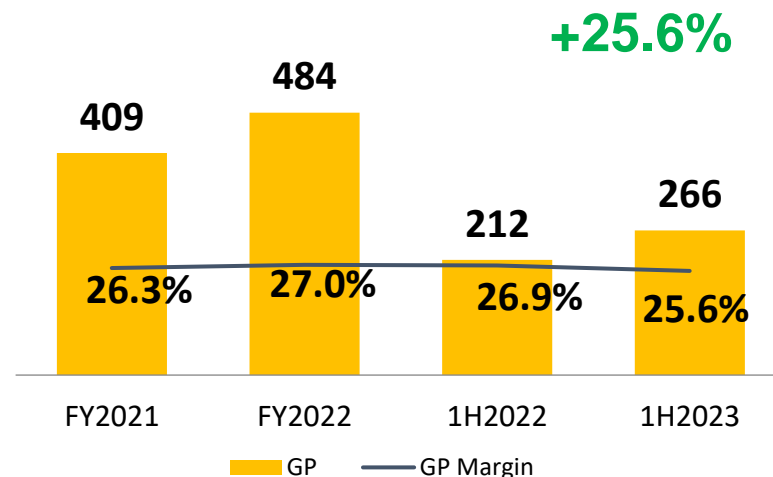
Office Warehouse: 1H 2023 Financial Highlights

(In PHP millions)

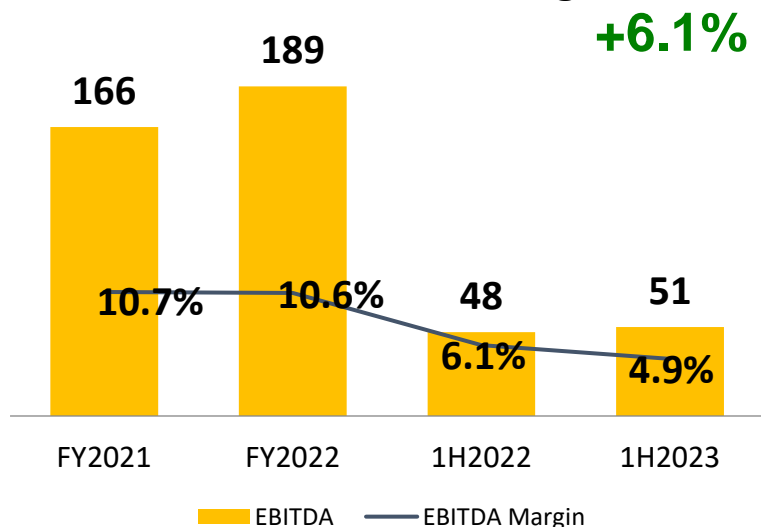
Revenues



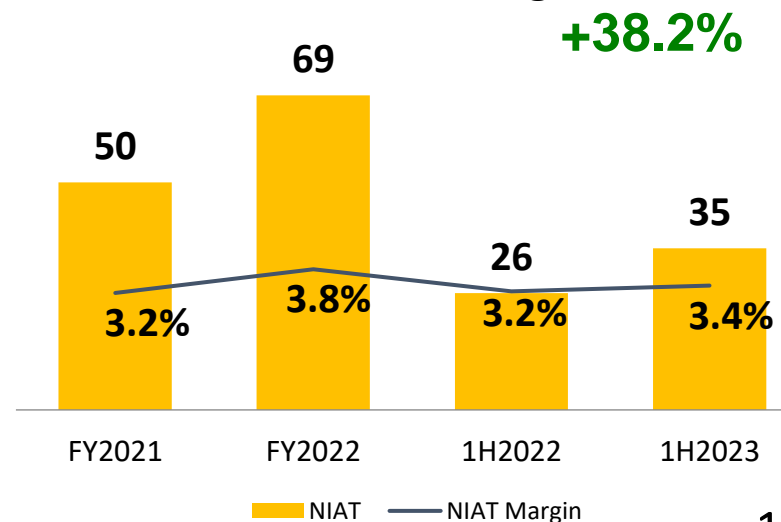
Gross Profit and Margin



EBITDA and Margin



Net Profit and Margin



Office Warehouse: Operating Highlights

OFFICE WAREHOUSE, INC.

- SSSG of **+27.2%** in 1H 2023 vs **-1.3%** in 1H 2022 due to opening up of the economy and increased mobility starting 1H 2022.



	FY 2021	FY2022	1H 2022	1H 2023
No. Stores	87	94	85	94
Net selling area	15,267 sqm	15,741 sqm	14,973 sqm	16,247 sqm

- **CAPEX Budget of Php 12.2 billion in 2023**
 - **Php 11.9 billion for Puregold Group**
 - Php 2.3 billion for 30 new Puregold Stores
 - Php 4.1 billion for 4 S&R WHs, and 10 S&R QSR
 - Php 3.5 billion for logistics capex
 - Php 2 billion for maintenance capex, solar and IT upgrades
 - **Php 250 million for Real Estate Group**
 - **Php 60 million for Office Warehouse**
- To be funded by internally generated cash and short term untapped bank credit lines if necessary

Economic Contribution At a Glance



PHP 4.98B

Taxes paid to the Government



PHP 3.14B

Employee wages and benefits



PHP 202.1M

Invested to community
(including LCCK)



12,038

Total no. of direct employees



0

Incidents of corruption



97%

of economic value generated
(revenue) distributed to stakeholders

Environmental Performance At a Glance



3%

Clean electricity used



Roof-top Solar Power

in 22 S&R Warehouse Clubs,
1 S&R Distribution Center and 2 Puregold Stores



Gearing towards **100% conversion**
of Puregold and S&R stores to LED lamps



29%

Scope 1 and 2 GHG Emissions Reduction

Environmental Performance At a Glance



101 M

Reduction of Plastic bags used in
Puregold stores and S&R Warehouses



63%

of Puregold stores use paper bags



4771 MT

Solid waste diverted from disposal



Rainwater Catchment
and Gray Water venture

Sustainability Highlights - 2022

Social Responsibility At a Glance



56%

female employees in the workforce



866 scholars graduated,
107 passed the licensure exam,
and **312** current no. of scholars



28.8 M

Safe man-hours



760,000+

Puregold Sari-Sari Store members
(support local economy)



1.43M

Puregold mobile
App downloads

UN Sustainability Goals



UN SDG Contributions



Thank you
